

Kingston, NY – Following an announcement from the Social Security Administration that a Cost of Living Adjustment (COLA) would not be provided again this year, Congressman Maurice Hinchey (D-NY) today called for new legislation to correct the problem during a forum he held with representatives from the Social Security Administration (SSA) and the Center for Medicaid and Medicare Services (CMS). At the forum, which was intended to help seniors get answers to their questions regarding misleading information being pushed by anti-Social Security and Medicare special interests, Hinchey also announced that he is working to pass new legislation to provide Social Security recipients with a one-time \$250 payment.

“The lingering effects of the worst economy since the Great Depression mean Americans who need Social Security to survive can’t afford to tread water,” said Hinchey. “We need to improve the formula that calculates the Cost of Living Adjustment so that it is fair to seniors in the future. To help right now, I am also supporting a bill to immediately provide a one-time \$250 payment to seniors, veterans, and people with disabilities who receive Social Security. This will help them make ends meet during this tough time, when housing values are down, other retirement income is volatile, and many are facing rising expenses.”

The Social Security Administration announced last week that there would be no automatic Cost-of-Living-Adjustment for 2011. That means that for the first time ever, 2011 will be the second consecutive year that Social Security retirees, veterans, and people with disabilities will see no increase in their monthly Social Security, SSI, VA Pension and Compensation, and Railroad Retirement benefits. This unprecedented situation is a result of the poor formula used to calculate the COLA, not the result of Congressional or Presidential action or inaction. Hinchey has sponsored legislation to improve the formula.

During the forum, experts from the Social Security Administration (SSA) and the Center for Medicaid and Medicare Services (CMS) also answered seniors’ questions regarding changes to Medicare that were set forth in the health care bill.

“Anti-senior special interests have been trying to say that the health care reform initiative somehow cuts Medicare benefits,” said Hinchey. “Nothing could be further from the truth, and the independent experts here today helped put that claim to rest. Not only are Medicare benefits preserved under the law, they are also strengthened.”

Experts from CMS clarified that no cuts to guaranteed benefits were made by the health care reform law, noting that a provision to reduce overpayments to insurance companies through the Medicare Advantage plan was being taken out of context to scare seniors. In fact, they noted, the law contained provisions to reduce payment errors, waste, fraud and abuse to make Medicare more efficient while returning those savings to the Trust Fund to strengthen Medicare for years to come. In all, the policy is expected to extend the solvency of Medicare for nine years.

Hinchey noted that the health care reform law also strengthens Medicare by providing free annual wellness visits and preventive care, and by gradually closing the gap in prescription drug coverage known as the “donut hole.” The congressman has also fought to allow CMS to negotiate drug prices – an action which would save taxpayers \$156 billion over ten years.